List of Claims:

1. (currently amended) A flexible variable rate vocoder for use in a network to process signals, the vocoder having a plurality of output rates, the vocoder comprising:

a rate determination module configured to select a target average data rate based on at least one network parameter and at least one external parameter, wherein one of the at least one network parameter is indicative of an available network capacity, and one of the at least one external parameter is indicative of the subject matter of the signals; and
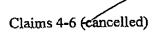
a rate implementation module configured to select between the plurality of output rates for coding each of outgoing frames of the signals to achieve an average output rate for the outgoing frames, as determined over a predetermined time period, wherein the average output rate is approximately equal to the target average data rate;

wherein the plurality of service classes comprise a premium class, a standard class and an economy class, and wherein the network has a plurality of users, each user of the plurality of users having a desired service class from the plurality of service classes, and wherein if the network cannot accommodate a service demand by one of the plurality of users, the target average data rates associated with the standard class and the economy class are reduced to accommodate the service demand, and wherein the service demand is determined based on at the desired service class of the one user and the subject matter of the signals .

2. (previously presented) The vocoder of claim 1, wherein the plurality of output rates include a full rate, a half rate, a quarter rate, and a eighth rate.

3. (currently amended) The vocoder of claim 1, wherein the at least one network parameter is indicative of an available network capacity, and another one of the at least one external parameter is indicative of one of a plurality of service classes.

2

99RSS293

Claims 4-6 (cancelled)

7. (previously presented) The vocoder of claim 2, wherein the rate implementation module comprises a switch, a full rate module, a half rate module, a quarter rate module, an eighth rate module, and a multiplexor, and wherein the switch selects between the modules for coding each of the outgoing frames, and the multiplexor receives the outgoing frames from each of the modules and serially outputs the outgoing frames on a single line.

Claim 8 (cancelled)

9. (currently amended) The vocoder of claim 8 1, wherein the subject matter can be one of voice category, data category, music category, and image video category.

10. (previously presented) The vocoder of claim 9, wherein the network has a plurality of users, if the network cannot accommodate a service demand by one of the plurality of users at the target average date rate, the target average data rates associated with one or more categories of the subject matter are reduced to accommodate the service demand.

11. (previously presented) The vocoder of claim 9, wherein the network has a plurality of users, if the network can accommodate a service demand by one of the plurality of users at the target average data rate, the target average data rates associated with one or more categories of the subject matter are increased.

28. (currently amended) A method for use by a flexible variable rate vocoder in a network to process signals, the vocoder having a plurality of output rates, the method comprising:

selecting a target average data rate based on at least one network parameter and at least one external parameter, wherein the at least one network parameter is indicative of an available network capacity, and the at least one external parameter is indicative of the subject matter of the signals; and

3

99RSS293

selecting between the plurality of output rates for coding ~~each of~~ outgoing frames of the

signals to achieve an average output rate for the outgoing frames, as determined over a

predetermined time period, wherein the average output rate is approximately equal to the target

average data rate;

wherein the plurality of service classes comprise a premium class, a standard class and an

economy class; and wherein the network has a plurality of users, each user of the plurality of

users having a desired service class from the plurality of service classes, and wherein the method

further comprising: determining that the network cannot accommodate a service demand by one

of the plurality of users; and reducing the target average data rates associated with the standard

class and the economy class to accommodate the service demand, wherein the service demand is

determined based on at the desired service class of the one user and the subject matter of the

signals.

29. (previously presented) The method of claim 28, wherein the plurality of output rates

include a full rate, a half rate, a quarter rate, and a eighth rate.

30. (currently amended) The method of claim 28, wherein ~~the at least one network~~

~~parameter is indicative of an available network capacity, and~~ another one of the at least one

external parameter is indicative of one of a plurality of service classes.

Claims 31-34 (cancelled)

35. (currently amended) The method of claim ~~34~~ 28, wherein the subject matter can be

one of voice category, data category, music category, and image video category.

36. (New) The method of claim 35, wherein the network has a plurality of users, and the

method further comprising:

4

determining that the network cannot accommodate a service demand by one of the

plurality of users at the target average date rate; and

reducing the target average data rates associated with one or more categories of the

subject matter to accommodate the service demand.

37. (previously presented) The method of claim 35, wherein the network has a plurality of

users, and the method further comprising:

determining that the network can accommodate a service demand by one of the plurality

of users at the target average data rate; and

increasing the target average data rates associated with one or more categories of the

subject matter.

5

99RSS293